

Message Text

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ORIGIN EB-07

INFO OCT-01 AF-10 ARA-14 EA-09 EUR-12 NEA-10 IO-14
ISO-00 AGR-01 SIG-02 CIAE-00 COME-00 INR-07
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R 142202Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY ROME
INFO AMEMBASSY ABIDJAN
AMEMBASSY ACCRA
AMEMBASSY ADDIS ABABA
AMEMBASSY ASUNCION
AMEMBASSY BANGUI
AMEMBASSY BERN
AMEMBASSY BOGOTA
AMEMBASSY BONN
AMEMBASSY BRASILIA
AMEMBASSY BRUSSELS
AMEMBASSY BUENOS AIRES
AMEMBASSY BUJUMBURA
AMEMBASSY CANBERRA
AMCONSUL CALCUTTA
AMEMBASSY CARACAS
AMEMBASSY COLOMBO
AMEMBASSY CONAKRY
AMEMBASSY COPENHAGEN
AMEMBASSY COTONOU
AMEMBASSY DAR ES SALAAM
AMEMBASSY DACCA
AMEMBASSY DUBLIN
AMEMBASSY FREETOWN
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USMISSION GENEVA
AMEMBASSY GUATEMALA
AMEMBASSY HELSINKI
AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KIGALI
AMEMBASSY KINGSTON

AMEMBASSY KINSHASA
AMEMBASSY LAGOS
AMEMBASSY LA PAZ
AMEMBASSY LIBREVILLE
AMEMBASSY LILONGWE
AMEMBASSY LIMA
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LOME
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY MONROVIA
AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
AMCONSUL RIO DE JANEIRO
AMEMBASSY ROME
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTO DOMINGO
AMCONSUL SAO PAULO
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AMEMBASSY STOCKHOLM
AMEMBASSY TAIPEI
AMEMBASSY ANTANANARIVO
AMEMBASSY TEGUCIGALPA
AMEMBASSY TEL AVIV
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY YAOUNDE
AMEMBASSY PARIS
AMEMBASSY BRUSSELS

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USOECD, USEEC

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: INCREASED U.S. TEA SALES (CONSUMPTION) AND
COFFEE CONSUMPTION DECLINE

REF: ROME 9696 (NOTAL)

1. ACCORDING TO THE TEA COUNCIL OF THE U.S.A. INC. RETAIL SALES OF TEA WERE UP 21 PERCENT IN THE FIRST QUARTER OF 1977 OVER THE SIMILAR 1976 PERIOD. HOW MUCH OF THE SALES INCREASE IS GOING INTO CONSUMPTION AND HOW MUCH INTO CONSUMER STOCKS IS UNCLEAR. TOTAL 1976 RETAIL TEA SALES WERE 5 PERCENT OVER 1975 SALES.

2. U.S. TEA IMPORTS FOR THE FIRST QUARTER OF 1977 ARE UP 18 MILLION POUNDS FROM THE FIRST QUARTER OF 1976, TO 50.3 MILLION POUNDS. SOME OF THE INCREASE IS A HEDGE AGAINST A POTENTIAL DOCK STRIKE AND ATTEMPTS BY IMPORTERS TO AVOID HIGHER PRICES IN AN ESCALATING TEA MARKET. UN-
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OFFICIAL FIGURES FOR THE FIRST 5 MONTHS OF 1977 INDICATE IMPORTS OF 96 MILLION POUNDS VERSUS 64 MILLION POUNDS IN THE 1976 PERIOD.

3. WHILE MANY INDUSTRY SOURCES FEEL THE INCREASED TEA SALES ARE THE RESULT OF A SWITCH FROM COFFEE CONSUMPTION,

OTHERS TAKE A MORE CONSERVATIVE VIEW, BASING THEIR CALCULATIONS ON THREE YEAR MOVING AVERAGES, WHICH SHOW LESS VOLATILITY. A RECENT U.S. COFFEE COUNCIL SURVEY INDICATES A CONSUMPTION DECLINE OF 14 PERCENT IN TERMS OF PEOPLE DRINKING COFFEE "YESTERDAY" (A HYPOTHETICAL DATE IN MARCH OR APRIL) AND ABOUT 22 PERCENT IN TERMS OF THE MEAN NUMBER OF CUPS DRUNK "YESTERDAY". GORDON PATON (U.S. COFFEE INDUSTRY AUTHORITY) REPORTS ROASTINGS DOWN 18 PERCENT FOR MARCH AND APRIL 1977 AS COMPARED TO 1976, AND DOWN 8 PERCENT FROM THE 1975 PERIOD. U.S. CENSUS BUREAU ROASTING FIGURES FOR THE FIRST QUARTER OF 1977 SHOW A DECLINE IN ROASTING OF 15.25 PERCENT COMPARED TO THE FIRST QUARTER OF 1976. AGAIN, CONSUMER STOCK-PILING, IMPORTS IN ANTICIPATION OF A POTENTIAL DOCK STRIKE, AND THE RETAIL SALES/CONSUMPTION RELATIONSHIP ARE ALSO CONFUSING FACTORS IN AN ATTEMPT TO ANALYZE THE COFFEE MARKET. CHRISTOPHER

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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